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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 002780

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [ETRD](#) [BK](#) [RS](#)  
SUBJECT: LAVROV CALLS FOR OHR TRANSITION, LEAVES  
CONSTITUTIONAL REFORM TO PARTIES

REF: MOSCOW 2728

Classified By: Political MC Susan M. Elliott for reasons 1.4 (b) and (d).

Summary

1. (C) Russian FM Lavrov pressed for completion of outstanding "5 plus 2" conditions, and discussed trade and Soviet-era debt during his November 5 visit to Sarajevo. Lavrov was very critical of the Butmir package, and told the parties that it was outside of the Peace Implementation Council (PIC) Steering Board consensus; however, he called the Butmir process discussions on the remaining conditions "a good basis for progress." He told the entities that any constitutional change "was up to them." Lavrov took HR Inzko to task on his use of the Bonn Powers, and urged him to focus on facilitating the completion of "5 plus 2." The GOR resents our lack of consultation on the EU-U.S. package, and will not support our push for constitutional reforms. They will not, however, oppose our efforts, as long as the Butmir process leads to the timely completion of conditions for Office of High Representative (OHR) closure and transition. End Summary.

5 Plus 2, Then let the Parties Sort it Out

2. (SBU) During his November 5 visit to Sarajevo, Russian Foreign Minister Sergey Lavrov held consultations with Foreign Minister Sven Alkalaj, the Presidential Council, Chairman of the Council of Ministers Nikola Spiric, High Representative Valentin Inzko, and RS PM Dodik (reftel). In his meetings, he lightly pressed the entities and parties to complete "5 plus 2" conditions, sought greater economic ties with the BiH Federation, and discussed settlement of legacy Soviet debt. In his joint press availability with BiH Foreign Minister Sven Alkalaj, Lavrov criticized the EU-U.S. package, as it was outside the agreement of the PIC Steering Board. He stated that Russia "...will support only that around which a consensus of the Bosnians themselves evolves and which will be the subject of constructive negotiations, a mutually respectful dialogue, and the result of concord."

3. (C) Russian MFA Bosnia/Croatia desk officer, Ivan Gorbunov (who served as the Minister's translator during his visit to Sarajevo), told us November 10 that Lavrov was more blunt in his criticism of the EU-U.S. approach in his meetings with Presidency and Alkalaj. Lavrov complained that Russia had not been consulted prior to the launch of the "Butmir process," and he concluded that elements of the EU-U.S. approach were not compatible with Dayton, i.e., there could not be direct linkages between constitutional changes and either EU or NATO integration. He also charged that Swedish Foreign Minister Carl Bildt had failed to consult with all of his European partners before launching this initiative. In both his private and public remarks, Lavrov

pointed out that BiH's seat on the UN Security Council made the issue of establishing full sovereignty more urgent. Gorbunov told us that Russia's position is that BiH needs full sovereignty first through the closure and transition of the OHR, and only then could the parties discuss and settle on constitutional changes. When pressed, Gorbunov said when the issue of constitutional amendments was raised during his meetings, Lavrov said, "it is for you to decide."

¶4. (C) While critical of the overall EU-U.S. approach, Lavrov told the entities' leaders that the Butmir compromises on the outstanding "5 plus 2" conditions were "a good basis for progress." Gorbunov was quick to note that SDA leader Suleman Tihic would hold meetings with interested parties November 12 (since canceled) to engage on the package. He assessed that it would be possible after this meeting to determine whether the entities would push through reforms in time for the PIC Steering Board meeting.

#### Inzko Criticized

¶5. (C) According to Gorbunov, Lavrov was unsparing in his criticism of High Representative Valentin Inzko during their private discussions. Lavrov took issue with Inzko's use of the Bonn Powers. He reportedly told Inzko that they should not be used outside of the Dayton Accords' provision and that, in the GOR's view, electricity transmission company Transco was not within the scope of the Dayton agreement. Lavrov also demanded that Inzko concentrate on facilitating "5 plus 2" and should play no role in the discussion of constitutional reforms.

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#### Trade and Debt

¶6. (C) Lavrov praised the depth of bilateral trade between Russia and the Republika Srpska, and discussed in general terms a bilateral trade agreement with Federation authorities that could be completed next year. Gorbunov said that Lavrov had also pressed the entities for a decision on settling the USD 125 million Soviet-era debt. Lavrov outlined a proposal where the GOR would finance Russian companies to refurbish the physical plants of BiH state-owned enterprises. Gorbunov complained, however, that no progress was made, as the entity representatives began sparring over their respective entity's share of the funds.

#### Comment

¶7. (C) Lavrov complained that the GOR was not consulted before the launch of our initiative and that the EU-U.S. package was an attempt to go behind the GOR's back to include constitutional changes as part of OHR conditionality -- which the MFA charges the U.S. and some EU members states failed to do in the face of Russian opposition at the PIC Steering Board when the "5 plus 2" decision was originally taken. While the Russian MFA agrees with our assessment that with upcoming elections, now is the best opportunity to resolve many of the outstanding problems, they conclude that the U.S. and EU are setting up the Steering Board to fail by adding new linkages to constitutional reform. Should all of our pressure and attention assist the parties to complete the remaining "5 plus 2" conditions, defense materiel disposition and state property, it does not appear that the GOR will get in the way of any additional constitutional reforms to which the parties agree. That said, the GOR will not support any delay in OHR closure and transition that is predicated on additional constitutional reform.

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